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The Spy War—Inside Story

Behind the bizarre case of the alleged Walker-family espionage ring is a tale of ever expanding KGB operations in the U.S.—and an attempt by the FBI to counterattack.


BETTY WELLS—NBC NEWS

A widening dragnet for spies in the Walker-family case has generated fears of the worst American security breach since the Rosenbergs gave atomic secrets to Moscow four decades ago.

Intelligence forces scrambled in early June to determine if espionage by at least four accused spies—operating on both Atlantic and Pacific coasts—has thrown into jeopardy the U.S. fleet's command of the seas.

Beyond that worst possible scenario, the case is taken as one more sign of a disturbing trend: The rise of a new generation of spies ready to sell out their country for cash. At the same time, it underscores the intensity of a worldwide war between superpower spy and counterspy.

Ripples spread. The Walker case, which rang alarm bells in the Pentagon when it first surfaced, took an even more ominous turn when the FBI disclosed on June 3 the arrest of a fourth suspect—Jerry Whitworth, a former communications specialist aboard Pacific-based aircraft carriers. That meant those charged in the ring were privy to secrets affecting Navy missions in the Pacific as well as the Atlantic.

Whitworth is described as a close friend of the accused boss of the alleged ring—John Walker, Jr., also a communications expert who left the Navy in 1976 as a chief warrant officer with top-secret security clearance. First to be jailed, he is accused of collecting secrets from his son, Michael, a U.S.S. *Nimitz* crewman; his brother, Arthur, a retired Navy lieutenant commander, and Whitworth, and selling them to the KGB.

Authorities now face the possibility that John Walker may have actively recruited young sailors as Soviet spies when he and Whitworth served as instructors at the Navy's Radioman School in San Diego in the early 1970s. By that time, according to court records, Walker already had been a paid agent for the KGB for many years.

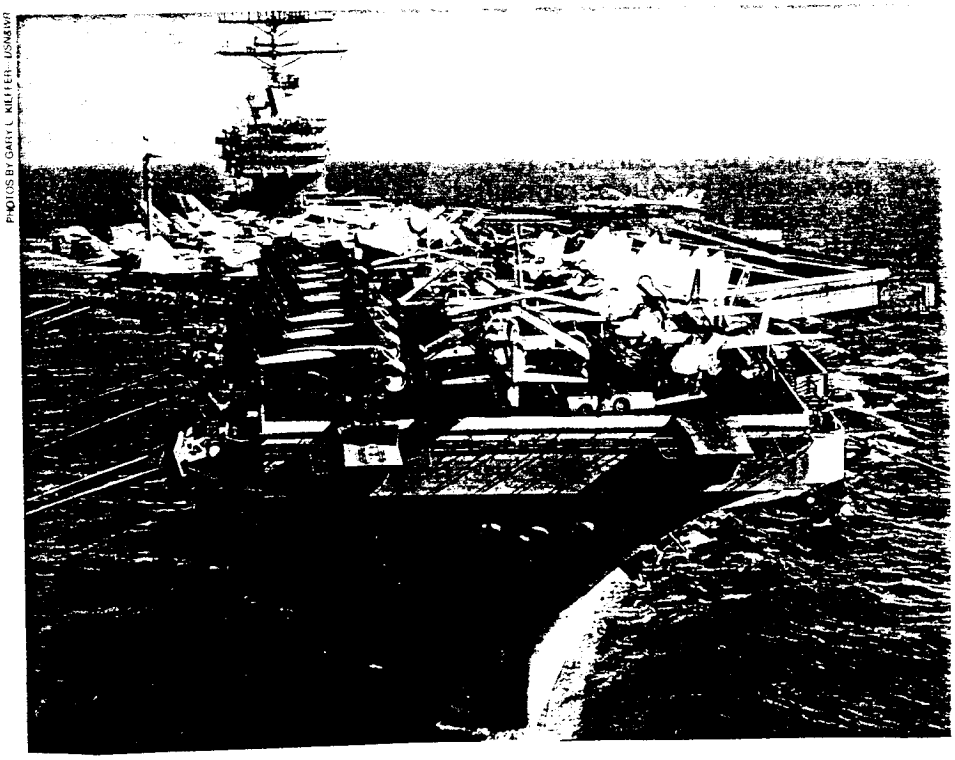
The FBI says that Arthur Walker has admitted that John paid $12,000 for documents from the Virginia firm where Arthur worked. John Walker is accused of making frequent overseas trips to obtain secret material from either his son or Whitworth.

In 1978, for example, the U.S.S. *Niagara Falls*, a ship to which Whitworth was assigned, made a port call in the Philippines December 11-15. An FBI affidavit adds: "Notes recovered in John Walker's residence disclose that Walker was in the Philippines on December 15, 1978, and that he met with an agent of the Soviet government on December 16, 1978."

The affair is compared by some to the atom-bomb case of the 1940s in which Julius and Ethel Rosenberg were executed. Not until now has an alleged spy ring been so bound by ties of family and friendship. Nor has there been such clear potential for damage.

Found in Whitworth's home: "Annex K"—a secret Navy contingency plan for dealing with war in the Mideast. A major concern is whether Moscow got Annex K or information that would compromise the U.S. system for detecting Soviet subs, including an ocean-floor network of sound detectors.

Moscow already may have modified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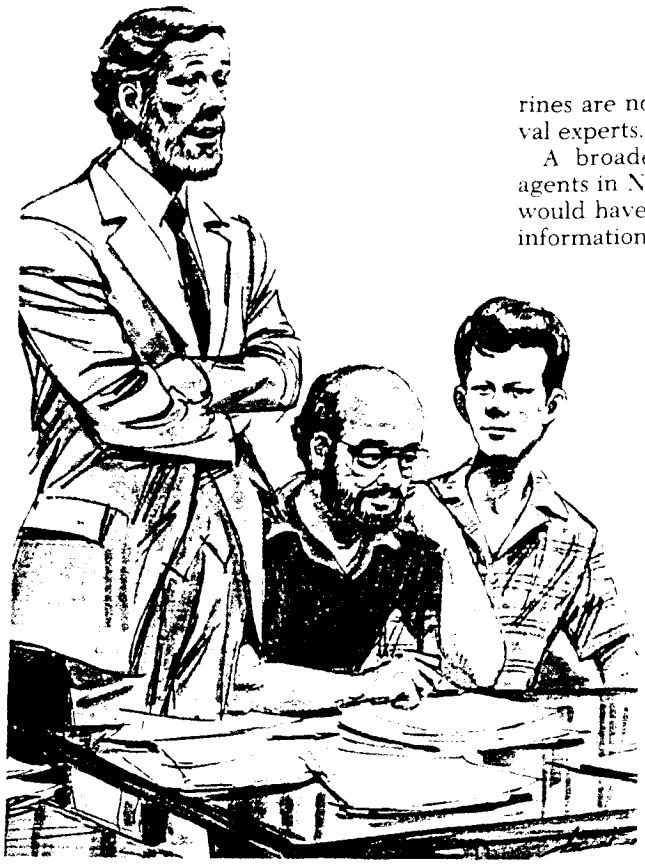


Accused spies John Walker and his son, Michael, seated at right, appear in court with lawyers.

its submarine operations as a result of stolen secrets. Some Navy experts believe this is the reason the Soviets have moved missile-launching subs from open seas to heavily protected positions near their home ports in the Barents Sea and the Sea of Okhotsk.

Early fears that the Soviets may have learned how to find American submarines are now being discounted by naval experts.

A broader concern is that Soviet agents in Navy communications rooms would have access to a whole array of information about tactics used by U.S. aircraft carriers and other ships as well as submarines. "There are no better targets for human intelligence collection than communicators," says Bobby Ray Inman, retired admiral and former deputy director of the Central Intelligence Agency. "When you get several people in several locations, it has potential for great harm."

Naval experts take some comfort from the fact that modern computers and encryption techniques make it virtually impossible for Moscow to have learned enough to actually break U.S. codes and read secret naval messages.

Just how Walker ended up a spy, if that is the case, is unclear. But in the normal course of events, overtures are first made by the Soviets.

A rare glimpse into how the Soviet Union actually recruits foreign agents came in recent congressional testimony unconnected to the Walker affair.

A U.S. Army sergeant recounted how a man called Tori befriended him over a chess table in Bangkok and entertained him with visits to bars and brothels, all the while subtly enlisting him as a KGB spy. "Tori never introduced himself as a Russian or a Soviet operative. . . . Requests for material evolved gradually from simply unclassified information to finally the most sensitive classified information I could get my hands on," said the sergeant, whose name was kept secret.

Over a period of 10 years, he had more than 100 contacts with KGB officers on four continents. What they did not know was that he was actually working for U.S. counterintelligence.

The Soviets today are believed to have nearly 500 well-trained intelligence officers in this country holding cover jobs at the Soviet Embassy in Washington, the United Nations in New York and the Soviet consulate in San Francisco. Also known to be active in the U.S. are some 1,000 other spies from Soviet allies, China and hostile Third World states such as Libya.

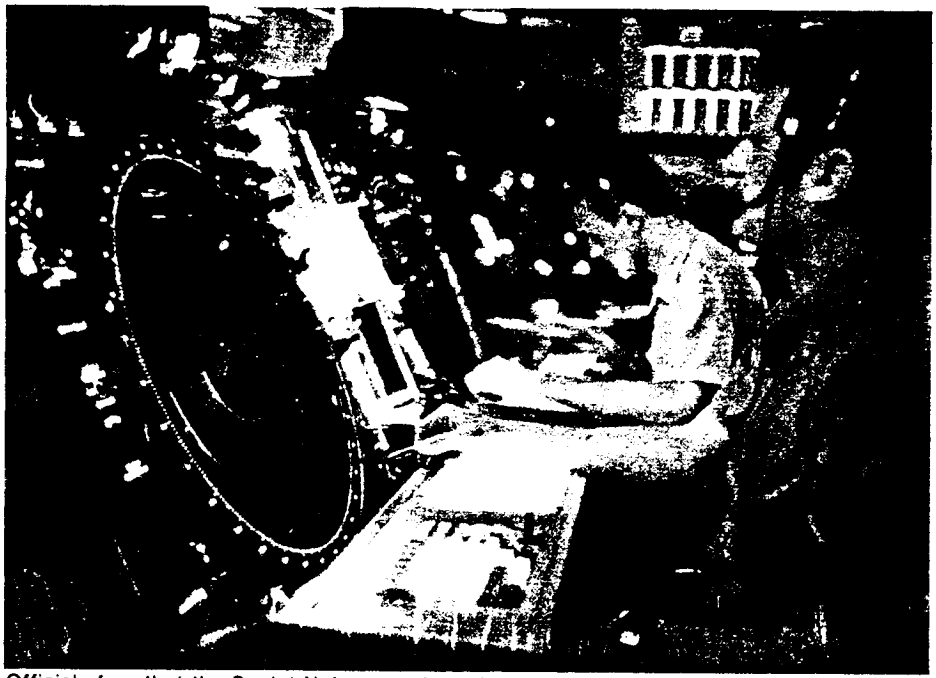
Of all these operatives, the Soviets are the ones working hardest to cultivate friendships with Americans who have access to secrets. The process of seduction, say U.S. officials, often takes months or even years. But when success comes, as it may have with Walker, the results can be a bonanza.

Money factor. The Walker case would be worrisome enough in its own right. But what makes it even more troubling is that it is only one of many in which Americans have been accused recently of dealing in secrets for cash. In the spy wars, the days of Westerners going over to the Communist side for ideological reasons seem to be long past.

The FBI, in fact, has found that in 12 recent cases, money figured in half. Not only is money an increasing factor, but the sheer number of espionage acts coming to light also is growing rapidly. Thirty-seven cases have been tried since 1975, about half of them involving the Soviet Union or its allies. In contrast, not a single spy was prosecuted in the U.S. in the preceding decade.

Among the most notable of the latest spying-for-cash cases is that of an engineer who tried to sell Stealth-bomber secrets to Moscow but ended up peddling them to FBI undercover agents. Another involves a New Yorker accused of penetrating the CIA and passing secrets to the Czechs.

When the dust from the Walker case finally settles, it may produce more than an expected naval-security crackdown. It already has touched off a clamor for more counterintelligence activity like the FBI's "contact program," in which platoons of agents watch Soviet offices in the U.S. and



Officials fear that the Soviet Union may have learned from a spy aboard the U.S.S. *Nimitz* how specialists in the radar room protect the carrier from hostile submarines.

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Russians suspected of being spies.

While Walker was arrested on a tip from his angry ex-wife, the contact program earlier paid off handsomely in the case of Thomas Cavanaugh, a Northrop engineer who decided to get rich quick by selling Stealth secrets. When he called the Soviet Embassy in Washington and the consulate in San Francisco to solicit bids, the FBI was eavesdropping. Result: He drew a life sentence in late May.

But keeping tabs on spies is becoming increasingly difficult. Lately, the problem has been compounded by Moscow's expanding use of operatives in "deep cover," unknown to all but a spymaster. These now include Vietnamese and Cuban refugees, even Jews permitted to leave the Soviet Union. All can blend into the American melting pot, unhindered by rules restricting travel by embassy employes.

In the battle between U.S. and Soviet intelligence agencies, the human struggle dramatized by the latest arrests is only part of the story. Both are heavily involved in electronic snooping that uses high-flying satellites in place of human eyes and ears. But, damaging as technological espionage may be, the Walker case suggests that devastating spy-war blows are still being struck by human hands. □

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